

PART 2000 - GENERAL

SUBPART D - MEMORANDA OF UNDERSTANDING WITH
THE NATURAL RESOURCES CONSERVATION SERVICE

§ 2000.151 General.

(a) Exhibit A is a Memorandum of Understanding signed in April 1984 by the Administrator of the Farmers Home Administration (FmHA) and the Chief of the Soil Conservation Service (SCS). Exhibit A is for use by the Rural Utilities Service, a successor agency to FmHA; the Farm Service Agency, a successor agency to FmHA and the Agricultural Stabilization and Conservation Service; and the Natural Resources Conservation Service (NRCS), a successor agency to SCS.

(b) Exhibit B is a Memorandum of Understanding signed in February 1999, by the Administrator of the Rural Housing Service (RHS), the Administrator of the Rural Business-Cooperative Service (RBS), and the Chief of NRCS. Exhibit B supercedes Exhibit A for RHS and RBS, successor agencies to FmHA, working in cooperation with NRCS.

(c) Under Exhibit B, the NCRS State Conservationist and the Rural Development State Director will jointly prepare and submit an implementation report to the head of each agency (RHS, RBS, and NRCS) by October 30, 1999, and October 30, 2000. The report should include recommendations for improvement of the MOU, reimbursement amounts, and briefly summarize the status of cooperative efforts to implement the MOU, both in terms of progress and problems. After the year 2000, implementation reports should be forwarded every two years for as long as the MOU is in effect.

§ 2000.152 Authorities.

The purpose of the MOUs is to encourage effective cooperation among the agencies by outlining how the agencies will work together, particularly in the area of environmental compliance. Implementation of the MOUs will not only enhance individual agency missions, but will also enhance the agencies cooperative effort to provide more efficient and effective service to rural Americans and their communities.

§ 2000.153 - 2000.200 [Reserved]

Attachments: Exhibits A and B

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Administration
General

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
SOIL CONSERVATION SERVICE
AND THE
FARMERS HOME ADMINISTRATION

PURPOSE

This joint memorandum reaffirms our desire for close working relationships between the Farmers Home Administration (FmHA) and the Soil Conservation Service (SCS). It replaces the joint memorandum of May 11, 1979 as well as the amendment to that memorandum dated May 21, 1982. Many activities of FmHA for the development, use, and conservation of soil, water, and related resources are areas in which SCS also has program responsibilities. Effective cooperation can aid significantly in advancing the missions of both agencies and in achieving the most effective results.

Separate memorandums of understanding between SCS and FmHA have been developed for the Resource Conservation and Development Program and the Watershed Protection and Flood Prevention Program. Refer to them for guidance on those programs.

GENERAL

FmHA, through its State, district, and county offices, administers more than 30 loan and grant programs and provides management assistance to individuals and groups living in rural America who meet certain eligibility requirements. Financial and technical assistance are also provided for several programs. The programs fall into three major categories: (1) Farmer Programs; (2) Rural Housing; and (3) Community and Business Programs.

SCS administers a variety of technical assistance and cost-share programs, working primarily through conservation districts (CD). These programs provide for: (1) participation in the National Cooperative Soil Survey; (2) providing technical assistance in conservation and development of soil, water, and related resources; (3) reduction of flood and sedimentation damages; (4) alleviation of agriculture-related pollution; (5) improvement of job opportunities in rural areas; (6) providing technical assistance to operators of small farms, Indians, minorities, and the aged; and (7) use of resource data by private landholders, local and State governments, and other Federal agencies for land use planning.

It is essential that land and water conservation and rural development work assisted by FmHA and SCS meet standards which include performance, quality control, energy utilization, environmental protection, dam safety, and cost effectiveness to ensure the intended benefits to those concerned. The development and use of a conservation plan or a natural resource plan for

the land unit or project area involved will aid materially in achieving this objective. Annually, FmHA will discuss its workload with SCS and the local CD and request that priorities for assistance be included in the CD annual plan of work.

Opportunities for cooperative efforts exist in a number of activities, including: conservation planning for borrowers' farms; planning community-type water supply and waste disposal facilities, including solid waste disposal facilities; preparing plans for shifts in land uses; identifying erosion hazards and limitations of soils for use as building sites; identifying areas considered as important farmlands, wetlands, and rangelands; conducting environmental reviews and assessments; providing technical assistance for on-farm energy development; and implementing the National Conservation Program, the Farmland Protection Policy Act, the Department's land use policy, and the Federal Guidelines for Dam Safety. Conservation technical assistance is provided to individuals, grazing associations, forestry associations, regional planning and development commissions, and multicounty planning and development districts.

IMPLEMENTATION

The Chief of SCS agrees to provide technical assistance to FmHA at the national level as FmHA develops its environmental assessment procedures and guidelines; provide current fiscal year National Technical Center (NTC) training schedules; and provide environmental training to employees on a space available/reimbursable basis at SCS-NTC training locations.

The SCS State Conservationist will furnish FmHA with information (soil survey, vegetative, etc.) and data on hand for use in preparing environmental assessments and Environmental Impact Statements (EIS). Whenever a recipient of SCS technical assistance applies to FmHA for financial assistance, SCS will provide FmHA, upon request, the environmental review or assessment conducted as part of the technical assistance. FmHA will independently review this environmental analysis and may adopt it as FmHA's environmental assessment of the application if the analysis meets FmHA's requirements for preparing assessments. SCS agrees to provide assistance should FmHA need to supplement the analysis.

SCS and FmHA will cooperate in the implementation of the Farmland Protection Policy Act. This effort includes evaluating alternative sites for their agricultural importance as well as assessing them for their suitability for retention in agricultural use.

FmHA shall require conservation plans for some of its loans, as specified in the attachment entitled Farmer Programs. To accomplish this and other objectives contained in this memorandum, the FmHA State Directors and the SCS State Conservationists will meet annually in their respective States to develop coordination procedures and plans for establishing the workload and priorities, keeping in mind the amount of work each agency may be able to

accomplish with available resources. The FmHA State Director and the SCS State Conservationist are to schedule the first joint meeting for these purposes as soon after the beginning of each fiscal year as practicable.

The State Director and State Conservationist are to develop procedures to insure good communication and coordination at the district/area level. These procedures are to include: (1) timely scheduling of responses to requests for assistance from FmHA and FmHA applicants; (2) ways to inform the public of services available through the various programs; (3) ways for FmHA and FmHA applicants to use the information provided effectively in making firm decisions; (4) giving emphasis to special groups such as minorities, Indians, youth limited resource farmers, and small family farmers; and (5) identifying areas where joint efforts of farmers are needed to carry out work with grazing associations, drainage districts, irrigation districts, etc., to meet these needs.

Specific examples of how cooperation between FmHA and SCS are to be accomplished are included in the attachment.

Either agency may request a review of this memorandum at any time. Termination of this agreement or amendments and modifications to the agreement may be initiated by either party and will become effective on ratification by both parties.

/s/

Chief
Soil Conservation Service

04/25/84

Date

/s/

Administrator
Farmers Home Administration

04/25/84

Date

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HOUSING PROGRAMS

Background: Rural housing programs administered by FmHA provide for individual home ownership, rental and cooperative housing loans, repair and rehabilitation housing loans, farm labor housing loans and grants, and homesite development loans. Details on each of these categories are available from FmHA.

Elements of Cooperation :

1. FmHA County Supervisors will request technical assistance from SCS regarding the identification of soil, water, and related problems that may be encountered in the housing programs and the possible solutions to these problems.
2. SCS will provide: soil information and interpretative data as needed and conservation alternatives for treating soil, water, and related problems as requested by FmHA officers or applicants. Such technical assistance normally helps to avoid or overcome potential soil and water problems, such as flooding, erosion, soil instability, and inadequate waste dispoals, and to avoid any adverse impacts on wetlands and important agricultural lands.
3. FmHA personnel will advise developers, builders, applicants, and prospective applicants of services available to them through local conservation districts and SCS offices.
4. FmHA will, when needed, require developers of proposed subdivision projects to obtain a soil map and interpretation of soil limitations for housing, streets, and related facilities from SCS.
5. SCS will, when requested, provide conservation planning assistance to FmHA applicants. This includes assistance for a specific problem area or the development of a complete conservation plan for the entire area. Assistance will include, as needed, site location and the planning, construction, and postconstruction needed to minimize erosion, sedimentation, and flooding and drainage problems.
6. SCS will provide, when requested by FmHA, information that SCS has available concerning State or local land use regulations and zoning ordinances as well as technical assistance in preparing environmental assessments and in implementing the Farmland Protection Policy Act.
7. SCS will, when requested by FmHA, provide technical assistance to applicants whose lands or property have been adversely affected by natural disaster. This assistance will aid in protection and/or restoration.

FARMER PROGRAMS

Background: FmHA makes loans to eligible farmers and ranchers unable to obtain credit from other sources. A basic objective of all types of loans is to encourage and facilitate the conservation, development, and proper use of land and water resources by providing adequate financing. Included are loans for purchasing, developing, and operating family farms, for developing outdoor income-producing recreation enterprises or other nonfarm business enterprises; for constructing agriculture-related pollution control facilities; for developing irrigation and drainage systems; for carrying out basic soil treatment and land development and utilization needed to achieve the associated economic, environmental, and social benefits.

With the increasing demand for energy on farms through application of high technology farming methods, FmHA applicants are requesting financial assistance for energy development or energy conservation in increasing numbers. In order to ensure the design and construction of these energy related projects is cost-effective, SCS and FmHA will cooperate in these areas to the maximum extent that available expertise will allow.

Elements of Cooperation :

1. FmHA will inform each loan applicant of the opportunity and advantage of becoming a conservation district cooperator. FmHA will request conservation districts and SCS to give priority to requests by FmHA borrowers and loan applicants for assistance.
2. SCS will provide FmHA borrowers and loan applicants soil surveys and interpretations and conservation planning assistance to develop and implement a conservation plan, in keeping with the borrower's objectives, to achieve sound land use and conservation treatment. SCS will inform the borrower or loan applicant of the direct and indirect impact of a proposed action on soil erosion, sedimentation, flooding, water quality, wetlands, or flood plains as well as provide FmHA with technical assistance in preparing environmental assessments and in implementing the Farmland Protection Policy Act.
3. In completing environmental assessments for Class II actions within Farmer Programs, as defined in FmHA's environmental requirements, FmHA shall first determine if the applicant has developed a conservation plan with technical assistance from SCS. If not, the applicant shall be requested to do so. Subsequently, an approved loan shall be structured so as to be consistent with any conservation plan developed by the applicant with SCS. However, the FmHA approving official need not include an element of the conservation plan within the loan agreement if that official determines that the element is both nonessential to the accomplishment of the plan's objectives and so costly as to prevent the borrower from being able to repay the loan.

4. SCS will refer individuals and groups of landowners with whom they work to FmHA for credit counseling when such financing is needed to carry out their conservation work.
5. When a group of local farmers or ranchers has a positive interest in forming an association and acquiring lands for grazing purposes, FmHA will request SCS to:
 - a. Assist representatives of FmHA and the grazing association in making an initial inventory to determine the present conditions and grazing capacity, the potential for improvement and development and the costs and benefits, and a reasonable time schedule for achieving the planned development.
 - b. Assist association officers and the FmHA representative in developing a complete conservation plan.
 - c. Encourage individual members of the grazing association to obtain assistance from the local conservation district in developing and implementing conservation plans on their individual operating units to provide for orderly development and conservation of land resources.
 - d. Assist FmHA and the grazing association in making annual progress reviews and in preparing annual operating plans as they relate to conservation and development of resources.
6. SCS will, when requested and as resources are available, assist FmHA personnel and applicants with on-farm energy development. FmHA-financed farm energy projects requiring technical assistance would normally involve but are not limited to methane generation, hydropower or alcohol production. SCS consultation could be in the areas of feasibility analysis, site layout, soils investigation, drainage planning, construction techniques, incorporation of energy production facilities into waste management plans, etc.
7. SCS will, when requested and as resources are available, provide assistance to FmHA personnel, applicants and borrowers in the areas of energy conservation tillage and crop management practices.
8. SCS will advise FmHA of their specific capabilities in providing technical assistance in the area of farm energy development within six months of the signing of this memorandum with attachment and each January thereafter.

COMMUNITY PROGRAMS

Background: Community program projects developed by public bodies and private nonprofit organizations with loans and grants from FmHA include activities relative to water systems, sewer systems, solid waste disposal facilities, and other essential community facilities.

Elements of Cooperation :

1. FmHA will, as the situation requires, request SCS technical assistance in planning for the development of water systems, sewer systems, solid waste disposal facilities and other essential community facilities, in preparing environmental assessments for such facilities, and in implementing the Farmland Protection Policy Act with respect to them.
2. SCS, as requested by FmHA or FmHA applicants, will provide technical assistance for land use and conservation treatment, including recommended measures and practices needed to protect or control erosion resulting from excavating, installing and backfilling water and sewer lines, treatment plants, and related facilities.
3. SCS will, as requested by FmHA or FmHA applicants, provide soil survey and soil interpretation information for locating and maintaining solid waste disposal facilities; assist in evaluating proposed sites by providing advice on the suitability of the soils and drainage conditions in the areas involved; provide guidance on drainage systems, erosion control, and control of similar hazards; and after a landfill has been completed, provide advice on site maintenance and land use.
4. SCS will, as requested by FmHA or FmHA applicants, provide technical assistance relative to proposed sites for locating waste stabilization lagoons and vegetation filters and for constructing or rehabilitating irrigation and drainage facilities.
5. All SCS technical assistance will include the identification of important farmlands, wetlands, flood plains, and potential resource related hazards.

BUSINESS AND INDUSTRY PROGRAMS

Background: The Business and Industrial Loan Program, which has been administered primarily as a guaranteed loan program, was established late in 1974 under authority of the Consolidated Farm and Rural Development Act, as amended, Section 310B(a). The authorizing legislation is quite broad. Loans are made for the purpose of improving, developing, or financing business and industry. These programs are intended to create new sources of

improve the overall economic and environmental climate in rural areas. The objectives of the program are achieved through bolstering the existing capital structure by guaranteeing quality loans in rural areas as well as by tapping major financial centers through secondary markets.

Elements of Cooperation :

1. FmHA and the lending institution, when applicable, will request from SCS information concerning local land use policies and ordinances and the adverse impacts on wetlands, important farmlands, and flood Plains of any proposed new construction financed by an FmHA loan or guaranteed by an FmHA loan guarantee.
2. SCS will provide information concerning frost lines, soil permeability, soil structure, sedimentation and methods to alleviate the possible adverse effects of industrial pollution on the surrounding rural and agricultural sector.
3. SCS will provide, when requested by FmHA, technical assistance in preparing environmental assessments and in implementing the Farmland Protection Policy Act.

DAM SAFETY

Background: On April 23, 1977, a Presidential memorandum was issued directing Federal agencies to review their dam safety practices. The major elements to be addressed included internal and external review, qualification of personnel, integration of new technology, emergency preparedness plans and review of existing dams. To coordinate dam safety programs, an Ad Hoc Interagency Committee on Dam Safety, as a part of the Federal Coordinating Council for Science, Engineering and Technology, issued Federal Guidelines for Dam Safety on June 25, 1979. Several financial assistance programs administered by FmHA can involve dams. Recognizing it would not be cost effective for FmHA to duplicate the existing SCS dam safety expertise to implement the dam safety guidelines, it has been agreed that SCS will assist FmHA in this effort. FmHA will maintain the responsibility for coordinating the dam safety program with all other aspects of the administration of financial assistance to FmHA applicants or borrowers and for securing proper engineering input to assure compliance with the dam safety guidelines.

Elements of Cooperation :

1. SCS will, when requested by the FmHA State Director and as resources are available, provide FmHA personnel with technical and administrative assistance regarding compliance with the dam safety guidelines on individual projects involving dams where SCS would not otherwise be involved.
2. SCS will assume all responsibilities for assuring that assistance provided for structure planning, design, and construction complies with the dam safety guidelines on dam projects involving FmHA and SCS joint funding.
3. FmHA personnel will make applicants aware of the requirements for dam safety and the availability of SCS assistance on projects involving construction of a new dam or rehabilitation and maintenance of an existing dam.
4. SCS will, when requested and as resources are available, provide FmHA applicants and borrowers technical and administrative review assistance related to the dam safety aspects of design, construction and preparation of operation and maintenance plans on new dams; and operation, maintenance and rehabilitation of existing dams. This review assistance may involve internal reviews, counseling on external reviews, review of construction inspection, and reviewing periodic inspection of the structure, and emergency planning.
5. SCS will provide information, when requested by the FmHA State Director, on those dams which are jointly funded by SCS and FmHA. The SCS State Conservationists will also include those dams financed by FmHA in the SCS inventory upon receipt of the initial data from the FmHA State Director. FmHA will have access to the inventory information upon request and be responsible for providing SCS with corrected data on FmHA projects.

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Exhibit B not Automated.